

February 25, 2003

PROCUREMENT CIRCULAR NO. 2003-02

TO: All Chief Procurement Officers:
Judiciary
Senate
House of Representatives
Office of Hawaiian Affairs
Department of Education
City & County of Honolulu
County of Hawaii
County of Maui
County of Kauai
Honolulu City Council
Hawaii County Council
Maui County Council
Kauai County Council
Honolulu Board of Water Supply
Hawaii Department of Water Supply
Maui Department of Water Supply
Kauai Department of Water
All Executive Departments
(Except UH and DOE)

FROM: Aaron S. Fujioka, Administrator /s/Aaron S. Fujioka

SUBJECT: **INDUSTRIAL SUPPLIES AND EQUIPMENT, JANITORIAL SUPPLIES
AND EQUIPMENT, LAMPS AND LIGHT FIXTURES
(GRAINGER INDUSTRIAL SUPPLY)**
WSCA Contract 6416
State Procurement Office Price List No. 02-32 (Statewide)
Price List Period: March 1, 2002 to September 30, 2003

The purpose of this circular is to replace Procurement Circular No. 2002-02, dated April 29, 2002, with revised guidance for participating purchasing jurisdictions, as follows:

1. The SPO Form-5 waiver is required prior to purchase from Grainger when the primary price/vendor list contractor is unable to deliver according to the terms of the contract or the product is not suited to the agency's needs.

2. Pursuant to the terms of the Cooperative Purchase Agreement, a copy of each SPO Form-5 waiver or comparable, issued by purchasing jurisdictions participating in SPO price/vendor list contracts, is to be submitted to the State Procurement Office.

The following are reiterated for purchasing agencies participating in the subject contract:

1. SPO price/vendor lists are primary contracts with "primary contractors", while the Grainger contract is secondary to the SPO contracts. Agencies committed to a primary contract are required to purchase from the "primary contractors".
2. The use of the Grainger contract is voluntary. Agencies are not required to purchase from the contract.
3. Advantages of the Grainger contract:
 - a. If there is no primary contract for the item being purchased, the Grainger contract may be used without having to complete procurement requirements, since SPO has already completed the procurement process to secure the Grainger contract.
 - b. The Grainger contract is an immediate and efficient source for small purchase quote comparisons.
4. General information:
 - a. Lower pricing is not a valid justification for a waiver.
 - b. If waiver is granted and item is to be purchased from a vendor other than Grainger, the appropriate small purchase or formal bidding procedure must be followed.

Thank you for your cooperation and should you have any concerns, please contact me at 587-4700 or have your staff contact Cara Sakata of this office, telephone 586-0563.